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Volume 15

MILK MARKET INFORMATION BULLETIN
CHATTANOOGA, TENNESSEE MARKETING AREA

MAY 1971

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Number 10

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Federal Order No. 90, 112 Lee Parkway Drive, Chattanooga, Tennessee 37411
J. E. Bobo, Market Administrator

PROCUREMENT SECTION
MARKET SUMMARY - MAY 1971 CURRENT SERIAL RECORDS

The Chattanooga Order MINIMUM uniform producer prices per cwt. at pool plants for milk testing 3.5% butterfat are: Base Milk - \$6.17 and Excess Milk - \$4.77. The producer butterfat differential is 8.0 cents for each one-tenth of one percent above or below 3.5% test.

In May 1971, 55.4% of the producer milk received by pool plants was priced in Class I at \$6.98 per cwt. and 44.6% was priced in Class II at \$4.77 per cwt. The May butterfat differential for Class I was 8.1 cents and Class II was 7.8 cents.

Total producer milk received during May 1971 was 42,057,607 pounds which is an increase of 8,759,220 pounds or 26.3% compared with May 1970. Deliveries of producer Base milk exceeded producer milk used in Class I by 12,891,555 pounds or percentagewise only 64.4% of Base milk was used in Class I. The May daily average deliveries from 890 producers was 1,524 pounds. This compares to 741 farms delivering a daily average of 1,450 pounds per day during May 1970.

USDA SUSPENDS CERTAIN PROVISIONS IN FIVE MILK ORDERS

Suspension of some milk diversion and pooling provisions from five Federal Milk Marketing Orders has been announced by the U. S. Department of Agriculture. The action will be effective June 15, 1971 for an indefinite period.

For the Chattanooga, Nashville, Mississippi, Red River Valley and Oklahoma Metropolitan orders, the action will provide that milk diverted from its normal plant of receipts shall be priced at the plant to which it is actually delivered. USDA's Consumer & Marketing Service said the suspension did not include the South Texas and Corpus Christi orders, as had been proposed, because they already provide such pricing.

The Consumer & Marketing Service has deferred until September 1 the suspension of provisions in the Nashville, Mississippi and Oklahoma Metropolitan Federal Milk Marketing Orders for the automatic pooling of cooperative supply plants. Also, deferred for the Red River Valley order is the suspension of a milk diversion provision. Lifting of these provisions had been originally set for June 15.

The Consumer & Marketing Service has invited proposals, from everyone interested in the issues involved, for consideration at a public hearing. The proposals should be received by USDA on or before June 15. The time and place of the hearing, now contemplated for early summer, will be announced as soon as arrangements can be completed.

JUNE DAIRY MONTH

COMPARISON OF MILK RECEIPTS AND UTILIZATION

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	% May '71 Over May '70	May 1971	Apr. 1971	May 1970
Number of Plants - Pool		7	7	6
- Non-Pool		13	13	15
<u>RECEIPTS POUNDS (DAILY AVERAGE)</u>				
Producer Milk	+26.3	1,356,697	1,285,962	1,074,142
Other Source	+ 2.3	28,832	30,913	28,174
Other Federal Orders	-33.7	103,797	94,472	156,591
TOTAL MILK RECEIPTS	+18.3	1,489,326	1,411,347	1,258,907
<u>UTILIZATION POUNDS (DAILY AVERAGE)</u>				
<u>Class I Uses</u>				
Homo Milk	0.0	412,256	428,764	412,319
Skim	+ 5.6	21,098	22,361	19,977
2% Milk	+25.7	117,418	121,661	93,388
Buttermilk	+ 2.3	54,252	55,701	53,011
Flavored Milk and Drink	- 8.3	16,275	17,100	17,757
Creams (Sweet and Sour)	+ 4.8	3,383	3,302	3,229
Sub-Total - Pkg. Products (Pool Plants)	+ 4.2	624,682	648,889	599,681
Other (Shrinkage, Inventory, Yogurt, etc.)		4,469	9,704	5,698
Sales to Non-Pool Plants		135,708	104,678	113,458
In-Area Sales by Non-Pool Plants	- 8.6	45,443	49,129	49,724
TOTAL CLASS I MILK	+ 5.4	810,302	812,400	768,561
<u>Class II Uses - Pool Plants</u>				
Ice Cream Mixes	- 6.4	55,567	51,787	59,356
Cottage Cheese	+ 3.2	47,383	51,041	45,892
Powdered and Condensed Milk		41,921	5,550	50,677
Livestock Feed and Milk Dumped		9,080	7,929	7,045
Sub-Total - Used to Produce	- 5.5	153,951	116,307	162,970
Shrinkage Class II		16,809	15,009	14,576
Other (Inventory Variation, etc.)		8,500	(8,791)	9,575
Bulk Sales to Non-Pool Plants		499,764	476,422	303,225
TOTAL CLASS II MILK	+38.5	679,024	598,947	490,346
Class I Pkg. Lbs. In Area - Pool Plants	+ 1.2	477,171	493,977	471,346
Class I Pkg. Lbs. Out of Area - Pool Plants	+14.9	147,511	154,912	128,335
Class I Pkg. Lbs. In Area - Non-Pool Plants	- 8.6	45,443	49,129	49,724
% Producer Milk of Gross Class I		167.4	158.3	139.8
% Producer Milk Priced in Class I		55.4	58.2	65.9

MARKET ADMINISTRATOR CHANGES

Mr. Joseph E. Bobo was appointed, effective June 1, 1971, Market Administrator of the Chattanooga, Knoxville and Nashville Federal Milk Orders. Mr. Bobo will continue as Market Administrator of the Louisville, Lexington and Evansville Order as well as being Market Administrator of the three Tennessee Orders. Mr. Bobo has been with the Federal Order program since 1946.

Mr. J. B. McCroskey retired, effective May 31, 1971, after nearly 40 years of Federal service. He became Market Administrator in Nashville in 1947, Knoxville in 1949 and Chattanooga in 1956 at the inception of each Order. He has served in various other capacities during his tour of duties.

**COMPUTATION OF PRODUCER UNIFORM BASE AND EXCESS PRICES
AND WEIGHTED AVERAGE PRICE**

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May 1971	Class %	Milk Pounds	Butterfat Test - %	Cwt. Price @ Test	Gross Value
Gross Class I		25,119,344	3.143		
Less Other Source		1,808,837	2.716		
Producer Milk Class I	55.4	23,310,507	3.176254	\$6.717766	\$1,565,945.31
Gross Class II		21,049,747	4.096		
Less Other Source		2,302,647	2.824		
Producer Milk Class II	44.6	18,747,100	4.252055	\$5.356603	\$1,004,207.72
TOTAL PRODUCER MILK (Cl.I + Cl.II)	100.0	42,057,607	3.655790		\$2,570,153.03
Add Fractional Adjustment					.02
Less Handler Location Adjustment					7,489.38
Add Value of Overage					721.96
Add Value of Other Source Receipts					
Allocated to Class I and Location Adj.		2,256	0.00		18,482.79
Add ½ Producer-Settlement Fund Reserve					0.00
TOTAL VALUE AT TEST		42,059,863	3.655594	\$6.138556	\$2,581,868.42
Less Test over 3.5% @ 8.0¢ per point		42,059,863	.155594	0.124475	52,354.01
TOTAL UTILIZATION VALUE AT 3.5%		42,059,863	3.5	\$6.014081	\$2,529,514.41
Less Reserve per \$1090.71(f)		42,059,863		.044081	
WEIGHTED AVERAGE PRICE - 3.5% TEST		42,059,863	3.5	\$5.97	
Less FMP from Unregulated Supply Plants					
Allocated to Class I @ Wt. Av. Price		2,256		\$5.97	134.68
TOTAL PRODUCER MILK VALUE @ 3.5% TEST		42,057,607	3.5		\$2,529,379.73

BASE AND EXCESS PRICES

	Milk Pounds	Cwt. Price @ Test	Amount	
TOTAL PRODUCER MILK VALUE @ 3.5% TEST	42,057,607			\$2,529,379.73
Excess Producer Milk Used in Class I	-		-	
Excess Producer Milk Used in Class II	5,855,545	\$4.77	\$279,309.50	
UNIFORM EXCESS PRICE - 3.5% TEST	5,855,545	4.77		279,309.50
Total Value of Base Milk	36,202,062	6.215310		\$2,250,070.23
Less Producer-Settlement Fund Reserve	36,202,062	.045310		16,403.15
UNIFORM BASE PRICE - 3.5% TEST	36,202,062	\$6.17		\$2,233,667.08

**MAY 1971 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANTS
BUTTERFAT DIFFERENTIAL 8.0¢ PER POINT (EXCLUDES PREMIUMS)**

TEST-%	BASE	EXCESS	TEST-%	BASE	EXCESS	TEST-%	BASE	EXCESS
3.0	\$5.77	\$4.37	4.0	\$6.57	\$5.17	5.0	\$7.37	\$5.97
3.05	5.81	4.41	4.05	6.61	5.21	5.05	7.41	6.01
3.1	5.85	4.45	4.1	6.65	5.25	5.1	7.45	6.05
3.15	5.89	4.49	4.15	6.69	5.29	5.15	7.49	6.09
3.2	5.93	4.53	4.2	6.73	5.33	5.2	7.53	6.13
3.25	5.97	4.57	4.25	6.77	5.37	5.25	7.57	6.17
3.3	6.01	4.61	4.3	6.81	5.41	5.3	7.61	6.21
3.35	6.05	4.65	4.35	6.85	5.45	5.35	7.65	6.25
3.4	6.09	4.69	4.4	6.89	5.49	5.4	7.69	6.29
3.45	6.13	4.73	4.45	6.93	5.53	5.45	7.73	6.33
3.5	6.17	4.77	4.5	6.97	5.57	5.5	7.77	6.37
3.55	6.21	4.81	4.55	7.01	5.61	5.55	7.81	6.41
3.6	6.25	4.85	4.6	7.05	5.65	5.6	7.85	6.45
3.65	6.29	4.89	4.65	7.09	5.69	5.65	7.89	6.49
3.7	6.33	4.93	4.7	7.13	5.73	5.7	7.93	6.53
3.75	6.37	4.97	4.75	7.17	5.77	5.75	7.97	6.57
3.8	6.41	5.01	4.8	7.21	5.81	5.8	8.01	6.61
3.85	6.45	5.05	4.85	7.25	5.85	5.85	8.05	6.65
3.9	6.49	5.09	4.9	7.29	5.89	5.9	8.09	6.69
3.95	6.53	5.13	4.95	7.33	5.93	5.95	8.13	6.73

CHATTANOOGA ORDER MILK PRICES (3.5 PERCENT TEST)

Date	PRODUCER UNIFORM PRICES 1/				HANDLER CLASS PRICES 1/			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf. Dif.	Cwt.	Bf. Dif.	Cwt.	Bf. Dif.
May '70	\$5.99 2/	\$6.16	\$4.58	8.2¢	\$6.75	8.4¢	\$4.58	8.0¢
June	6.06 2/	6.20	4.61	8.2	6.73	8.4	4.61	8.0
July	6.14 2/	6.31	4.60	8.2	6.76	8.4	4.60	8.0
Aug.	6.01	-	-	8.2	6.75	8.4	4.61	8.0
Sept.	6.32	-	-	8.4	6.76	8.4	4.66	8.1
Oct.	6.39	-	-	8.4	6.81	8.5	4.77	8.1
Nov.	6.47	-	-	8.2	6.92	8.4	4.82	8.0
Dec.	6.30	-	-	8.2	6.97	8.4	4.83	8.1
Jan. '71	6.28	-	-	8.2	6.98	8.4	4.79	8.0
Feb.	6.36	-	-	8.2	6.94	8.4	4.83	8.0
Mar.	6.21 2/	6.32	4.81	8.2	6.98	8.4	4.81	8.0
Apr.	6.04 2/	6.20	4.83	8.2	6.96	8.4	4.83	7.8
May	5.97 2/	6.17	4.77	8.0	6.98	8.1	4.77	7.8
June	-	-	-	-	6.92	8.1	-	-

Date	PRICE QUOTATIONS				PRODUCER MILK USE			
	Chi. 92° Butter	Chi. Area Powder	Minn/Wisc. Mfg. Milk	Basic Formula	(Daily Average)			
	¢ Lb.	¢ Lb.	\$-Cwt-3.5%	Minimum	Class I Pounds	Test-%	Class II Pounds	Test-%
May '70	69.85	26.84	\$4.58	\$4.33	708,369	3.29	365,773	4.53
June	69.81	26.77	4.61	4.33	690,927	3.26	324,444	4.67
July	69.80	27.02	4.60	4.33	715,318	3.27	284,243	4.65
Aug.	69.80	26.85	4.61	4.33	694,169	3.27	347,743	4.45
Sept.	70.52	26.86	4.66	4.33	881,429	3.25	209,852	5.48
Oct.	70.12	26.85	4.77	4.33	875,572	3.37	221,288	5.94
Nov.	69.88	26.82	4.82	4.33	848,594	3.41	226,279	6.46
Dec.	70.40	26.90	4.83	4.33	760,876	3.36	342,699	5.48
Jan. '71	69.77	26.91	4.79	4.33	775,537	3.32	326,520	5.91
Feb.	69.78	27.12	4.83	4.33	770,040	3.34	251,416	6.51
Mar.	69.78	27.21	4.81	4.33	708,198	3.27	347,418	5.33
Apr.	67.78	29.19	4.83	4.33	749,022	3.23	536,940	4.46
May	67.78	31.57	4.77	4.33	751,952	3.18	604,745	4.25

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLERS GROSS MILK 3/			PRODUCER DATA				DELIVERIES PER		
	No.	Total	Class I	No.	Total	Base	Average	Farm --- Pounds		
	Hdlers.	Receipts	Use	Prod.	Delivery	Delivery	Test-%	Prod.	Base	Exc.
May '70	21	1,258,907	768,561	741	1,074,142	965,184	3.71	1,450	1,303	147
June	21	1,153,003	752,470	739	1,015,371	924,399	3.71	1,374	1,251	123
July	21	1,124,146	775,421	744	999,561	903,625	3.66	1,343	1,215	128
Aug.	21	1,153,814	753,698	742	1,041,912	-	3.66	1,404	-	-
Sept.	20	1,184,034	952,991	742	1,091,281	-	3.68	1,471	-	-
Oct.	20	1,196,873	948,068	748	1,096,860	-	3.89	1,466	-	-
Nov.	20	1,166,551	910,227	745	1,074,873	-	4.06	1,443	-	-
Dec.	19	1,212,913	822,193	743	1,103,575	-	4.02	1,485	-	-
Jan. '71	19	1,201,136	838,128	739	1,102,057	-	4.09	1,491	-	-
Feb.	19	1,130,134	833,673	731	1,021,456	-	4.12	1,397	-	-
Mar.	19	1,169,574	771,192	693	1,055,616	980,583	3.95	1,523	1,415	108
Apr.	20	1,411,347	812,400	854	1,285,962	1,142,972	3.74	1,506	1,338	168
May	20	1,489,326	810,302	890	1,356,697	1,167,808	3.66	1,524	1,312	212

1/ Excludes Premiums

2/ Weighted average Price

3/ Other Source is Gross minus Producer

Class II is Receipts minus Class I